

## **FACT SHEET:**

### **Irresponsible Bush Budget Hurts African American Families**

---

Even as middle class Americans are struggling to achieve financial security, the Bush budget ignores the very real challenges they are facing. It fails to create jobs, and instead creates record deficits. It shortchanges education, health care, veterans' benefits, and small business. Instead of helping working families, it provides additional tax breaks for those who need them least and billions of dollars in new giveaways to HMOs and other wealthy corporate interests.

**No action on job creation, with 1.7 million African Americans still seeking work.** The unemployment rate among African Americans rose to 10.5 percent last month -- significantly higher than the unemployment rate at the beginning of the Bush Administration and remaining at levels not seen since 1997. The Bush budget squanders an additional \$1 trillion over the next 10 years on additional tax cuts for the wealthy, but President Bush's budget does nothing to create good-paying jobs here at home.

**Slashes funding for the Small Business Administration.** The Bush budget cuts funding for the Small Business Administration, which helps minority owned small businesses grow, by \$79 million. There are over 800,000 African American owned small businesses.

**Eliminates microloan program.** The Bush budget provides no resources for the Microloan program, even though this program is critical to aiding minority communities. Last year this vital program provided \$26.5 million in loans, and over time has loaned more than \$112 million to start-up newly established and growing small businesses.

**Breaks the promise of a better education.** Over 10 percent of African American students drop out of high school, yet the President's budget eliminates funding for dropout prevention programs. In addition, the President's budget fails to provide \$9.4 billion in promised funding for education -- meaning that 2.4 million children will not get the help with reading and math they were promised.

**Eliminates Even Start.** The President's budget eliminates the Even Start program, which integrates early childhood education, adult literacy, and parenting education into a unified family literacy program. Currently, 50,000 families are served through the Even Start program -- 9,500 of them African American.

**Undermines afterschool programs.** Thousands of African American children are served through Federally funded afterschool programs. The Bush budget provides only half of the funding promised to these programs, meaning that 1.3 million children who were promised after school services will not get them.

**Guts Head Start.** There are 297,000 African American children being served through Head Start, but the President's budget eliminates the comprehensive educational, health, and nutrition services that children in this program currently receive. In addition, the program receives a funding increase of less than 3 percent, even though Head Start currently only serves 60 percent of eligible preschoolers.

**Closes the door on a college education.** Only 17 percent of African American adults have their bachelor's degree. Despite nationwide increases in the cost of college of up to 40 percent, the Bush Administration has frozen funding for Pell Grants and cut funding for Perkins loans by nearly \$100 million.

**Leaves veterans behind.** There are over 2.6 million African American veterans. The President's budget raises health care costs for over 500,000 veterans, imposing new co-payments and enrollment fees that will cost veterans over \$2 billion over five years. In fact, over five years, the budget for veterans health care programs is \$13.5 billion below the amount needed to maintain services at current levels.

**Fails to make healthcare affordable for middle class families.** There are over 7.4 million African Americans without health insurance and millions more who can barely afford to pay their premiums, yet the Bush budget does nothing to hold down costs. It includes \$70 billion for a \$1,000 tax credit for individual coverage that covers only 5 percent of the 44 million uninsured, and Health Savings Accounts that help only the healthy and wealthy.

**Undermines Medicaid.** The Bush budget would transform a large portion of Medicaid from an entitlement to a block grant, shifting the cost of the program onto hard-pressed states. The Bush plan would encourage states to limit their liability by cutting people from the rolls, cutting benefits, and increasing cost sharing for some of our most vulnerable citizens. Over 8.3 million African Americans receive health care through Medicaid.

**Cuts Office of Minority Health.** The President's budget cuts funding for the Office of Minority Health by 15 percent from this year's enacted level. This office supports disease prevention, health promotion, service demonstration, and educational efforts that focus on health concerns that cause the high rate of disease in racial and ethnic minority communities.

**More for special interests, not seniors.** There are 2.7 million African American seniors on Medicare. Almost one in six elderly black Medicare beneficiaries could not afford to fill at least one prescription in 2001. Although the Bush budget now includes \$46 billion in special payments to HMOs – \$30 billion more than originally estimated – it does nothing to help seniors lower their prescription drug costs. Despite this, Republicans are refusing to hold down drug costs, refusing to let the government negotiate discounts for seniors, and refusing to allow Americans to import less expensive drugs from Canada.

**Democrats have different priorities.** We want to help all Americans achieve financial security, invest in programs that create good paying jobs, improve education, lower health care costs, make college more affordable, help small businesses grow, support our veterans and military retirees, and do more to protect our ports and borders from terrorism.

